A public meeting of the Central Wyoming Regional Water System Joint Powers Board (Board) was held Tuesday, April 18, 2017 at 11:30 a.m., in the Joint Powers Board Conference Room, Regional Water Treatment Plant, 1500 SW Wyoming Boulevard, Casper, WY.

Board Members Present - Chairman King, Vice-Chairman Keffer, Treasurer Lawson, and Board Members Hopkins, Johnson, Tasler, and Walsh. Secretary Powell was absent.

City of Casper – Johnson, Hopkins, Walsh, Andrew Beamer, Bruce Martin, Pete Meyers, Brian Schroeder, Scott Baxter, Janette Brown

Natrona County – Lawson

Salt Creek Joint Powers Board – King

Wardwell Water & Sewer District – Keffer

Pioneer Water & Sewer District – Tasler

Poison Spider Improvement & Service District –

Wyoming Water Development Office -

Sandy Lakes Estates -

Lakeview Improvement & Service District -

33 Mile Road Improvement & Service District –

Central Wyoming Groundwater Guardian Team (CWGG) –

Others — Charlie Chapin – Williams, Porter, Day and Neville, P.C.

The Board meeting was called to order at 11:32 a.m.

1. In Announcements, Mr. Martin stated that Mr. Bob Hopkins has been appointed to the Board by the City of Casper to replace Mr. Murphy.

   Mr. Martin announced that Ms. Linda Tasler with Pioneer Water & Sewer District has
Board Member Waters’ proxy for the meeting today.

Mr. Martin announced that the presentation of the WTP Facility Plan Update to the Casper City Council has been moved to a Council Work Session to be held on May 23, 2017 at 4:30 p.m. in the Council Chambers at City Hall. Mr. Martin stated that Board Members are encouraged to attend this Council work session.

2. In Approval of Minutes:

a. Chairman King asked for a motion to approve the minutes from the March 21, 2017 meeting. A motion was made by Treasurer Lawson and seconded by Vice-Chairman Keffer to approve the minutes from the March 21, 2017 meeting. Motion put and carried.

b. Chairman King asked for a motion to approve the minutes from the April 3, 2017 meeting. A motion was made by Treasurer Lawson and seconded by Board Member Walsh to approve the minutes from the April 3, 2017 meeting. Motion put and carried.

3. Mr. Martin asked the Board to reference the voucher listing handed out on this date. Mr. Martin stated that one additional voucher was added to the listing; voucher 7642 for Endress + Hauser in the amount of $3,402.18 for the corrosion inhibitor tank level indicators. Mr. Martin recommended approval of the vouchers and offered to answer any questions the Board may have on the voucher listing.

Chairman King asked for a motion to approve the April 2017 vouchers. A motion was made by Board Member Walsh and seconded by Board Member Johnson to approve the April 2017 voucher list to include voucher numbers 7633 through 7642 in the amount of $347,020.17. Motion put and carried.

4. Mr. Martin asked the Board to reference the Gallons Produced table in their agenda packets. Mr. Martin stated that production for March 2017 was 167 MG which is 4 MG less than one year ago. Mr. Martin stated that year to date production is 2.91 MG below the 5-year average.

Mr. Martin asked the Board to reference page 2 of the March 2017 Financial Report. Mr. Martin stated that Water Sales is approximately $46,000 less than one year ago. Mr. Martin stated that Operations Expense is approximately $92,000 less than one year ago due to the timing of chemical purchases. Mr. Martin stated that Net Operating Income is approximately $53,000 greater than last year.

Chairman King asked for a motion to approve the March 2017 Financial Report as presented. A motion was made by Vice-Chairman Keffer and seconded by Treasurer Lawson to approve the March 2017 Financial Report as presented. Motion put and carried.

5. Chairman King turned the time over to Mr. Schroeder for the Operations Update.
Mr. Schroeder stated that staff has been spending a lot of time getting the surface water plant ready to pump water. Mr. Schroeder stated that staff is pumping from Raw Water today to charge the surface water system. Mr. Schroeder stated that several issues will have to be repaired before surface water can be high serviced into the distribution system. Mr. Schroeder stated that surface water will be high serviced to the distribution system this week.

Mr. Schroeder stated that he has been working closely with EPA on the Revised Wellfield Management Plan. Mr. Schroeder stated that the conference call with EPA Washington went fairly well, but there is still a lot of work to be done on the Wellfield Management Plan. Mr. Schroeder stated that he would like to have the Wellfield Management Plan in place before the river high water levels this spring.

Mr. Schroeder stated that Mr. Conner is in a training class today so he will give the Transmission System Update.

Mr. Schroeder stated that Distribution staff has finished cleaning the Actiflo lagoons and removing the sludge in preparation for the summer season.

Mr. Schroeder stated that the quarterly sampling has been completed.

Mr. Schroeder stated that Distribution staff is completing a lot of spring cleanup at the boosters and tanks.

Mr. Schroeder stated that chloramine residuals in the system are in good shape at this time.

6. There was no Public Comment.

7. There was no Old Business.

   a. There was no Other Old Business.

8. In New Business:

   a. Mr. Martin stated that the Board approves taps on the RWS transmission lines. Mr. Martin stated that a request for a 1-inch domestic water tap and a 4-inch fire tap at 3019 Salt Creek Highway was received. Mr. Martin stated that DEQ has issued a permit for the fire line and Wardwell Water & Sewer District is waiting for Board approval before they issue their permit. Mr. Martin stated that the Board approved a tap in this same area for Energy Laboratories approximately a year ago. Mr. Martin recommended approval of the two physical taps and stated that City staff will make the actual taps on the transmission line.

      A motion was made by Board Member Johnson and seconded by Board Member Walsh to approve a 1-inch physical domestic water tap and 4-inch physical fire line tap at 3019 Salt Creek Highway. Motion put and carried.
b. Mr. Martin asked the Board to reference the Choice Gas pricing list in their agenda packets. Mr. Martin stated that the Board is currently on the Pass-On Rate, and has been for a number of years. Mr. Martin stated that the Choice Gas Selection ends at the end of this month.

Chairman King stated that he would be abstaining from the vote as he is the Chairman of Wyoming Community Gas.

A motion was made by Vice-Chairman Keffer and seconded by Board Member Johnson to continue with the Pass-On Rate for the 2017 Choice Gas Selection. Motion put and carried.

c. Mr. Martin stated that bids for the Airport Elevated Water Storage Tank Project were opened last week and turned the time over to Mr. Scott Baxter with the City Engineering Department.

Mr. Baxter stated that the low bid for a composite tank was $2,948,000. Mr. Baxter stated that two bids were received for a welded tank, but both were over $3,000,000.

Mr. Baxter stated that the consultant, 609 Consulting, LLC, has reviewed all the bids and recommends the contract for the construction of this project be awarded to Landmark Structures, I, L.P. Mr. Baxter stated that formal concurrence from the State has not been received yet. Mr. Baxter stated that as soon as the concurrence from the State is received, the Board can award the contract.

Mr. Baxter stated that all bids received were significantly higher than the engineer’s estimate. Vice-Chairman Keffer asked if the bids were over the engineer’s estimate because it took so long to get the project out for bid. Mr. Baxter stated that he did not believe so as there is a lot of extra work to be done for the project.

Board Member Walsh asked if the bid from Landmark Structures meets the bid criteria. Mr. Baxter stated that Landmark Structures did meet the bid criteria. Mr. Baxter stated that Landmark Structures actually pioneered the composite tank and has the most experience with this type of tank.

Board Member Hopkins asked what the size of the tank will be. Mr. Baxter stated that the tank will hold approximately 1MG of water.

Mr. Baxter stated that time is of the essence with this project and asked if the Board would be able to hold a special meeting within the next couple of weeks to award the contract for this project. It was the consensus of the Board to hold a special meeting on Monday, May 1, 2017 at 9:00 a.m. to award the contract for this project.
d. Mr. Martin asked the Board to reference the Capital Improvement Plan (CIP) in their agenda packets. Mr. Martin stated that the CIP goes out ten years, but he will be focusing on major projects for FY18 and FY19.

Mr. Martin stated that that Equipment, Buildings & Vehicles are in every year of the CIP.

Mr. Martin stated that funds for the North Platte River Restoration Project were not used in FY17 and have been re-budgeted for FY18.

Mr. Martin stated that the SCADA/PLC Replacement has been budgeted in the amount of $3.1 M for FY18.

Mr. Martin stated that the Wellhead Protection Plan in the amount of $40,000 is listed in FY18.

Mr. Martin stated that the Actiflo Tube Settler Repair/Replacement was identified in the WTP Facilities Plan and is in FY18.

Mr. Martin stated that $90,000 has been budgeted in FY18 for Well Rehabilitation. Mr. Martin stated that it is expected that this amount will cover the rehabilitation of two wells.

Mr. Martin stated that the projects listed on the CIP for FY19 mostly came from the WTP Facilities Plan. Mr. Martin stated that these projects include Actiflo-Maturation Tank Draft Tubes, Gravity Filter SCADA Controls and Valve Actuators, and Caisson Well Pump VFDs.

Mr. Martin stated that FY21 has the Ultra Violet (UV) System listed for approximately $12 M.

Mr. Martin reminded the Board that the CIP is very fluid and can change. Mr. Martin stated that capital projects will be discussed in depth during the budget review.

e. Mr. Martin asked the Board to reference the Budget Narrative in their agenda packets. Mr. Martin stated that both the WTP Operations Budget and the Agency Budget will be discussed.

Mr. Martin stated that in preparing the FY18 budgets a serious effort was made to maintain the Operations Budget at FY17 levels. Mr. Martin stated that the Agency Budget generally follows the WTP Capital Improvement Plan (CIP). Mr. Martin reviewed the following budget highlights:
WTP Operations Budget

Personnel Services

a) Personnel Costs - $961,237 – The final FY17 budget was $937,218. This increase is principally due to ongoing step increases and higher certifications. There is no COLA proposed for FY18.

Contractual Services

a) Lab Testing - $66,500 – This amount is unchanged from the FY17 budget.
b) Refuse Collection - $60,000 – This amount is unchanged from the FY17 budget. This line item is mainly for sludge disposal. The two backwash water ponds and the two Actiflo sludge ponds are now cleaned yearly rather than on a bi-yearly basis as was previously done.
c) Equipment Repairs - $35,000 – This amount is unchanged from the FY17 budget.
d) Maintenance Agreements - $51,314 – This line item covers agreements with outside service providers for such items as HVAC, instrumentation, elevator, chiller, chloramine analyzers, fire sprinkler system, LOX system, air compressors, and work order system that are beyond the expertise and/or certification of the WTP staff. This line item increased by $8,500 from FY17. New maintenance agreements will be added for the LOX and air compressor systems in FY18. The existing ozone generator maintenance agreement has not been cost effective and will be discontinued.
e) Interdepartmental Services Fixed - $163,725 – This line item covers the salary and benefits for two Utility Workers assigned to Water Distribution but paid by the WTP Operations Budget.
f) Insurance & Bonds - $20,188 – This line item covers liability insurance, etc. for ten WTP employees who are City of Casper employees.
g) Energy – Electricity - $838,000 – This represents an increase of $66,000 from the FY17 budget. Electric usage is greatly dependent upon summertime water sales. Mr. Martin stated that there have been budget amendments the last few years for electricity.
h) Energy – Natural Gas - $65,000 – This line item is unchanged from FY17. This cost is heavily dependent upon the winter weather.

Materials and Supplies

a) Chemicals - $750,000 – This amount is unchanged from the FY17 budget. This line item was increased by $120,000 in FY17. Current projections show that, even with a slight increase in chemical costs, this amount is sufficient.

Transfers Out

a) Health Insurance Fund - $18,908 – This amount is a transfer out to the Health Insurance Fund to cover risings costs. This is in addition to Personnel
Services – Health Insurance.

This budget is a break even budget (reimbursement to the City from the Regional Water System for operation, maintenance, and management of the Regional Water System.)

The FY18 Operations Budget is 6% greater than the projected FY17 Operations Budget due to increased expenditures for personnel, electricity, and additional maintenance agreements.

Board Member Walsh asked when staff last received a COLA. Mr. Beamer stated that it has been approximately two years since the last COLA.

Board Member Walsh stated that in the narrative it states that there is only one additional staff member than the 1991 staffing levels and asked if more employees are needed at the WTP. Mr. Schroeder stated that the WTP is currently minimally staffed, but they make it work. Mr. Schroeder stated that it would be nice to have one additional employee to cover vacations and breakshift. Mr. Schroeder stated that when one of the Operators goes on vacation someone from the Maintenance Staff fills in for them, so there are basically two employees out for each vacation shift. Board Member Walsh stated that with shift work it takes two people off the top to cover vacations and illness. Chairman King asked what qualifications an additional person would need. Mr. Schroeder stated that the WTP is a Level IV facility so all Operators need to have a Level IV DEQ certification. Chairman King asked if it is difficult to find someone with that level of certification. Mr. Schroeder stated that it can be difficult to find someone that can pass the certification exams.

**Agency Budget**

**Revenue**

a) Water Rate Revenue - $6,513,497 – This reflects an increase of $161,212 over the FY17 budget. These revenues are proportioned to each wholesale entity based on the January 2016 – December 2016 percentage of RWS production based on a five-year average of total RWS production.

b) Interest on Investments - $17,000 – This amount is unchanged based on FY17 estimates.

c) System Development Charges - $65,000 – The budgeted System Development Charges for FY18 are decreased from the FY17 budget by $85,000 based on FY17 estimates. This could be impacted by the System Development Charge Study being completed by Raftelis.

d) State Loans - $2,800,000

- Water Treatment Plant Backwash Water Supply Project - $1,000,000 – This project will construct a parallel 1.1 MG water storage tank next to the existing 2.6 MG tank on the WTP grounds. This $2.2 M loan was
obtained in FY16 and includes 25% principal forgiveness.
- Water Treatment Plant Emergency Generator Project - $500,000 – This project will include installation of an emergency generator on the WTP grounds. The core loan was obtained in FY14 with a supplemental loan obtained in FY15.
- PLC/SCADA Replacement Project - $1,300,000 – This project will include upgrading the existing PLC/SCADA system at the WTP and the RWS storage tanks and booster stations. This loan has yet to be obtained. Design for the project is anticipated for 2017 with construction to be awarded in FY18.

e) State Grant - $750,000
  - Airport Elevated Water Storage Tank Project - $750,000 – This project will replace the Airport Water Storage Tank with a new 40 feet higher elevated tank with a capacity of 1 MG. A $1,504,150 grant was obtained from the WWDC for this project. The engineering design was awarded in FY15. Construction for this project was awarded in FY17.

**Contractual Services**

a) Consulting Fees - $15,000 – This amount for outside consulting help is unchanged from the FY17 budget.
b) Legal Fees - $15,000 – This line item has increased by $10,000 over the FY17 budget based on anticipated legal costs.
c) Accounting & Auditing - $27,500 – This amount is unchanged from the FY17 budget.
d) Insurance & Bonds - $86,814 – This is an increase of $4,914 from the FY17 budget and includes an anticipated increase of 6%.
e) Travel & Training - $2,000 – This is for RWS Board travel and training. No monies are anticipated to be spent in FY17.

**Debt Service**

a) Principal Payments - $1,756,416 – This reflects the Principal for the City Loan to the RWS which occurred in FY12, two WWDC loans, and one DWSRF loan.

- City Loan - $1,326,012
- WWDC (New Const.) - $ 309,757
- WWDC (Rehab.) - $ 98,929
- DWSRF Loan #129 (Zone IIIB Imp.) - $ 21,718

b) Interest Expense - $466,161 – This reflects the interest expense for the City Loan to the RWS, two WWDC loans, and one DWSRF loan.

- City Loan - $209,513
- WWDC (New Const.) - $186,174
- WWDC (Rehab.) - $ 59,459
- DWSRF Loan #129 (Zone IIIB Imp.) - $ 11,015
Capital – New

a) Buildings - $86,000 – Bulk Sand Loading Crane System – This crane system will be utilized at the Actiflo system for bulk sand loading. Currently, staff utilizes a forklift for this operation. The floor is uneven putting the forklift on a tilt while performing a high lift with a heavy load. This is a safety issue. This project was a recommendation in the WTP Facilities Plan.

b) Improvements Other Than Buildings - $270,000:
   - North Platte River Restoration - $250,000 – This is re-budgeted from FY17 as the funds allocated have not yet been used.
   - WTP Landscaping - $20,000 – This project will install an irrigation system and landscaping in front of the WTP.

c) Light Equipment - $10,000 – Oscilloscope and Software – This general-purpose electronic test instrument will be used by the Instrumentation Technician when troubleshooting electronic control systems.

Capital – Replacement

a) Buildings - $125,000 – This is for the following:
   - Security - $10,000 – additional security upgrades
   - Roof Replacement - $40,000 – The roof of the cargo elevator area of the WTP needs replaced.
   - Exhaust Fan Replacements - $55,000 – a number of exhaust fans are not working.
   - Building Maintenance and Painting - $20,000 – This will be for building maintenance needs and external pipe recoating.

b) Improvements Other Than Buildings - $2,316,000 – This includes the following:
   - Major Equipment Replacements - $75,000 – This is for unanticipated equipment replacements during the year.
   - Groundwater Well Turbidimeter Replacements - $30,000 – The existing 2004 turbidimeters are no longer supported by the vendor and replacement parts are difficult to obtain.
   - Actiflo Sand Pumps - $39,000 – Three sand pumps will be replaced in FY18. Sand pumps can be rebuilt twice before they need full replacement.
   - Raw Water Pump Replacement - $68,000 – This will replace Raw Water Pump #5.
   - Well Pumps - $45,000 – This will purchase three spare well pumps for the wellfield to be placed in inventory. Twenty-six of the wells use the same pump.
   - PLC/SCADA Equipment Replacement - $1,300,000 – The PLC/SCADA Equipment at the WTP, wellfields, RWS booster stations, and tanks is 17 years old. Full design will take place in 2017 with construction planned for FY18.
   - Filter Mag Meter Replacements - $50,000 – The existing 16-inch magnetic flow meters on the rapid sand filter discharges (installed in
1999) are no longer supported by the vendor. Three were replaced in FY17 for filters #1, #3, and #5. The rest will be replaced in FY18.

- **Well Rehabilitation** - $90,000 – Two wells will be rehabilitated to achieve higher yields and clean the well screens of incrustation.
- **Ozone Flow Meter Replacements** - $24,000 – This will replace flow meters on each of the four ozone generators. Parts are not available for the existing flow meters, one of which has failed.
- **Ozone Generator Controller Upgrade** - $33,000 – This will upgrade the existing ozone controllers to digital controllers. Control boards are difficult to find for the existing controllers. Kits are available to upgrade the controllers to digital control. One existing controller has failed and the generator is inoperable.
- **Chemical System Level Indicator Replacements** - $10,000 – This will replace the level indicators on the ferric chloride system.
- **Actiflo System VFD Replacements** - $14,000 – This will replace four aging VFDs on the Actiflo System. There have been failures on the existing VFDs and the current displays do not work.
- **Raw Water Pump VFD Replacements** - $42,000 – This will replace two raw water pump VFDs that are currently 19 years old.
- **Ground Water High Service Pump VFD Replacement** - $95,000 – This will replace the existing 19 year old VFD.
- **Screen Wash Pump and Motor Replacement** - $10,000 – This equipment has a history of failing. New equipment was installed recently and this purchase will be for inventory.
- **Raw Water Air/Vacuum Valve Replacements** - $28,000 – This will replace undersized air/vac valves at each of the raw water pumps. This is a recommendation from the WTP Facilities Plan.
- **Actiflo Tube Settler Repair/Replacement** - $250,000 – This project will repair or replace the failing Actiflo tube settlers. The existing tubes are settling and are damaged. This is a recommendation from the WTP Facilities Plan.
- **Ground Water High Service Discharge Pipe Recoating** - $85,000 – This project would recoat badly corroded sections of the ground water high service discharge piping. This is a recommendation from the WTP Facilities Plan.
- **Ammonia Pump and VFD Replacements** - $9,000 – This project would replace the aging ammonia pumps and add VFD for enhanced operator control and optimization. This project was identified by staff.
- **Corrosion Inhibitor Pump and VFD Replacements** - $9,000 – This project will replace the aging corrosion inhibitor pumps and add VFD for enhanced operator control and optimization.
- **Electrical Transformer Testing and Repair** - $10,000 – This project will cover annual testing/repair of the WTP electrical transformers.

**c) Intangibles – Wellhead Protection Plan** - $40,000 – This will be an update to the existing Wellhead Protection Plan that has not been updated since 1998. The new plan will include an enhanced focus on wellfield security.
d) Technologies - $4,500 – Replacement computers at the WTP.

The recently completed WTP Facilities Plan brought to light several capital projects that need to be addressed. Additionally, WTP staff has taken an in-depth look at equipment and processes and have made recommendations for numerous capital equipment replacements and optimizations. Because of the age of much of the equipment and unit processes at the WTP and wellfields (17 years old or older), there is need for many smaller dollar unit and equipment replacements this budget year which will continue into the future.

The FY18 capital budget is aggressive. Close attention will have to be paid to the cash flow as the fiscal year progresses. Several of the capital projects may not be able to be completed in FY18 depending on rate increases and cash flow.

Mr. Martin stated that the Agency Budget shows $1,841,345 to the positive at the end of FY18, but Grants and Loans Revenue of $2,225,000 for projects that are not in the FY18 budget have to be taken into consideration. Mr. Martin stated that the budget actually has a deficit of $408,000.

Board Member Hopkins asked if the PLC project is a plug into the old boxes. Mr. Martin stated that some of the old equipment will stay, but most of the project is a complete change of system.

Chairman King asked if the change from manual to digital controls will be done in-house or by a contractor. Mr. Martin stated that some of the changes will be done by staff, but the changes to the ozone system will be done by the ozone contractor.

Treasurer Lawson asked where the funding will come from in FY21 for the UV project. Mr. Martin stated that staff hopes to obtain a loan for the UV project through an application submittal to the State Revolving Fund.

Treasurer Lawson stated that it was mentioned that the Board would need to watch the cash flow carefully and asked if reserves are being built up for the UV project. Mr. Martin stated that there is a reserves account and it will be discussed in detail next month during rate review. Mr. Martin stated that the reserves are steadily being depleted due to the various current projects and will need to be watched closely. Mr. Martin stated that the rates will be impacted due to the upcoming projects.

f. There was no Other New Business.

9. A motion was made by Board Member Hopkins and seconded by Vice-Chairman Keffer to adjourn from Regular Session into Executive Session at 12:15 p.m. to discuss potential litigation. Motion put and carried.
A motion was made by Board Member Johnson and seconded by Treasurer Lawson to adjourn from Executive Session back to the Regular Session at 12:39 p.m. Motion put and carried.

10. In the Chairman’s Report, Chairman King stated there will be a special meeting on May 1, 2017 at 9:00 a.m. to consider awarding the Airport Elevated Water Storage Tank Project.

Chairman King stated that the next regular meeting will be held on May 16, 2017.

A motion was made by Board Member Johnson and seconded by Vice-Chairman Keffer to adjourn the meeting at 12:40 p.m. Motion put and carried.

[Signatures]

Chairman

Secretary